

## § 150.2

## 17 CFR Ch. I (4–1–02 Edition)

(h) *Short* position means a short call option, a long put option or a short underlying futures contract.

(i) For the following commodities, the first delivery month of the “crop year” is as follows:

| Commodity            | Beginning delivery month |
|----------------------|--------------------------|
| corn .....           | December.                |
| cotton .....         | October.                 |
| oats .....           | July.                    |
| soybeans .....       | September.               |
| soybean meal .....   | October.                 |
| soybean oil .....    | October.                 |
| wheat (spring) ..... | September.               |
| wheat (winter) ..... | July.                    |

[52 FR 38923, Oct. 20, 1987, as amended at 53 FR 41571, Oct. 24, 1988; 56 FR 14315, Apr. 9, 1991; 57 FR 44492, Sept. 28, 1992; 58 FR 17981, Apr. 7, 1993; 64 FR 24046, May 5, 1999]

### § 150.2 Position limits.

No person may hold or control positions, separately or in combination, net long or net short, for the purchase or sale of a commodity for future delivery or, on a futures-equivalent basis, options thereon, in excess of the following:

| SPECULATIVE POSITION LIMITS,<br>[By contract] |                               |              |            |
|---|-------------------------------|--------------|------------|
| Contract                                      | Limits by number of contracts |              |            |
|   | Spot month                    | Single month | All months |
| <b>Chicago Board of Trade</b>                 |                               |              |            |
| Corn .....                                    | 600                           | 5,500        | 9,000      |
| Oats .....                                    | 600                           | 1,000        | 1,500      |
| Soybeans .....                                | 600                           | 3,500        | 5,500      |
| Wheat .....                                   | 600                           | 3,000        | 4,000      |
| Soybean Oil .....                             | 540                           | 3,000        | 4,000      |
| Soybean Meal .....                            | 720                           | 3,000        | 4,000      |
| <b>MidAmerica Commodity Exchange</b>          |                               |              |            |
| Corn .....                                    | 3,000                         | 6,000        | 6,000      |
| Oats .....                                    | 2,000                         | 2,000        | 2,000      |
| Soybeans .....                                | 3,000                         | 6,000        | 6,000      |
| Wheat .....                                   | 3,000                         | 6,000        | 6,000      |
| Soybean Meal .....                            | 800                           | 800          | 800        |
| <b>Minneapolis Grain Exchange</b>             |                               |              |            |
| Hard Red Spring Wheat .....                   | 600                           | 3,000        | 4,000      |
| White Wheat .....                             | 600                           | 1,200        | 1,200      |
| <b>New York Cotton Exchange</b>               |                               |              |            |
| Cotton No. 2 .....                            | 300                           | 2,500        | 3,500      |
| <b>Kansas City Board of Trade</b>             |                               |              |            |
| Hard Winter Wheat .....                       | 600                           | 3,000        | 4,000      |

[64 FR 24047, May 5, 1999]

### § 150.3 Exemptions.

(a) Positions which may exceed limits. The position limits set forth in § 150.2 of this part may be exceeded to the extent such position are:

(1) *Bona fide* hedging transactions as defined in § 1.3(z) of this chapter;

(2) [Reserved]

(3) Spread or arbitrage positions between single months of a futures contract and/or, on a futures-equivalent basis, options thereon, outside of the

spot month, in the same crop year; *provided however*, That such spread or arbitrage positions, when combined with any other net positions in the single month, do not exceed the all-months limit set forth in § 150.2; or

(4) Carried for an eligible entity as defined in § 150.1(d), in the separate account or accounts of an independent account controller, as defined in § 150.1(e), and not in the spot month if there is a position limit which applies to individual trading months during their expiration; *Provided, however*,

That the overall positions held or controlled by each such independent account controller may not exceed the limits specified in § 150.2.

(i) Additional Requirements for Exemption of Affiliated Entities. If the independent account controller is affiliated with the eligible entity or another independent account controller, each of the affiliated entities must:

(A) Have, and enforce, written procedures to preclude the affiliated entities from having knowledge of, gaining access to, or receiving data about, trades of the other. Such procedures must include document routing and other procedures or security arrangements, including separate physical locations, which would maintain the independence of their activities; *provided, however*, That such procedures may provide for the disclosure of information which is reasonably necessary for an eligible entity to maintain the level of control consistent with its fiduciary responsibilities and necessary to fulfill its duty to supervise diligently the trading done on its behalf;

(B) Trade such accounts pursuant to separately-developed and independent trading systems;

(C) Market such trading systems separately; and

(D) Solicit funds for such trading by separate Disclosure Documents that meet the standards of § 4.24 or § 4.34 of this chapter, as applicable, where such Disclosure Documents are required under part 4 of this chapter.

(ii) [Reserved]

(b) *Call for information.* Upon call by the Commission, the Director of the Division of Economic Analysis or the Director's delegatee, any person claiming an exemption from speculative position limits under this section must provide to the Commission such information as specified in the call relating to the positions owned or controlled by that person; trading done pursuant to the claimed exemption; the futures, options or cash market positions which support the claim of exemption; and the relevant business relationships supporting a claim of exemption.

[53 FR 41571, Oct. 24, 1988, as amended at 56 FR 14315, Apr. 9, 1991; 57 FR 44492, Sept. 28, 1992; 58 FR 17982, Apr. 7, 1993; 60 FR 38193, July 25, 1995]

#### § 150.4 Aggregation of positions.

(a) *Positions to be aggregated.* The position limits set forth in § 510.2 of this part shall apply to all positions in accounts for which any person by power of attorney or otherwise directly or indirectly holds positions or controls trading or to positions held by two or more persons acting pursuant to an expressed or implied agreement or understanding the same as if the positions were held by, or the trading of the position were done by, a single individual.

(b) *Ownership of accounts.* For the purpose of applying the position limits set forth in § 510.2, except for the ownership interest of limited partners, shareholders, members of a limited liability company, beneficiaries of a trust or similar type of pool participant in a commodity pool subject to the provisos set forth in paragraph (c) of this section, any trader holding positions in more than one account, or holding accounts or positions in which the trader by power of attorney or otherwise directly or indirectly has a 10% or greater ownership or equity interest, must aggregate all such accounts or positions.

(c) *Ownership by limited partners, shareholders or other pool participants.* For the purpose of applying the position limits set forth in § 150.2:

(1) A commodity pool operator having ownership or equity interest of 10% or greater in an account or positions as a limited partner, shareholder or other similar type of pool participant must aggregate those accounts or positions with all other accounts or positions owned or controlled by the commodity pool operator;

(2) A trader that is a limited partner, shareholder or other similar type of pool participant with an ownership or equity interest of 10% or greater in a pooled account or positions who is also a principal or affiliate of the operator of the pooled account must aggregate the pooled account or positions with all other accounts or positions owned or controlled by that trader, *provided, however*, that the trader need not aggregate such pooled positions or accounts if:

(i) The pool operator has, and enforces, written procedures to preclude the trader from having knowledge of,